

# BOARD OF EXAMINERS MEETING

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November 21, 2016

## **1. A. Call to Order and Confirmation of Attendance**

Attorney General Tim Fox moves and elects Secretary of State Linda McCulloch as President Pro Tempore.

Secretary of State Linda McCulloch as President Pro Tempore of the Board of Examiners "Board", called the meeting to order on November 21, 2016, at 10:01 a.m. in Room 250 of the State Capitol with Attorney General Tim Fox and Secretary of State Linda McCulloch in attendance. Governor Steve Bullock was unable to attend.

Staff and advisors present were: Sheila Hogan, Mark Bruno, Jamie Walkenhorst, and Kendra Whitaker, Department of Administration; Ryan Evans, Office of Budget and Program Planning; Anna Miller and John Tubbs, Department of Natural Resources and Conservation; Dan Semmens of Dorsey & Whitney LLP.

## **B. Approval of Minutes of Board of Examiners Meeting of March 16, 2016**

**Motion and Vote:** President Pro Tempore called for a motion to approve the minutes of the Board meeting of March 16, 2016. Linda McCulloch so moved. The motion passed unanimously.

## **C. Sheila Hogan, Director, Department of Administration: Overview of Agenda**

Shelia Hogan briefly described the three items on today's agenda: 1) Anna Miller will discuss the issuance of up to \$1.9 million 2016 Series E Taxable Coal Severance Tax Revenue Bond Anticipation Note. 2) Water Pollution Control state revolving Program and the issuance of up to \$2,950,000 in General Obligation Bond Anticipation Notes, Taxable Series 2017B. 3) Drinking Water State Revolving Fund and issuance of up to \$2.9 Million in State of Montana General Obligation Bond, Anticipation Notes Taxable Series 2017C. Dan Semmens will discuss the resolution of the three items on the agenda.

## **2. Department of Natural Resources and Conservation (Anna Miller): Coal Severance Tax Revenue Bond Anticipation Note:**

Anna Miller discussed the letter in tab 2 to the Board signed by Director John Tubbs.

HB 8 authorized projects approved in the last legislative session. DNRC was authorized to issue \$5 million of Coal Severance Tax (CST) Bonds or Notes. These funds can be used by communities in Montana for projects that did not qualify for the revolving fund programs. This funding includes the East Clark Street project. The East Clark Street district is adjacent to East Helena. The district will receive wastewater service from the City of East Helena. Ronan has a project to replace water lines. Also Lima has a water project. The Notes will be issued to the

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Board of Investments to complete construction. At some point, long term Bonds will be issued. \$8 million of work has been started so far in fiscal year 2017.

**3. Dorsey & Whitney LLP (Dan Semmens): 2016 Series E Taxable Supplemental Resolution relating to State of Montana Coal Severance Tax Bond Anticipation Note, Department of Natural Resources and Conservation, Renewable Resource Program, 2016 Series E Taxable in the maximum principal amount of \$1,900,000 (the “CST 2016 Series E Note Supplemental Resolution”).**

Dan Semmens explained the resolution in tab 3 to the Board.

**Motion and Vote:** McCulloch called for public comment. Hearing none, she then called for a motion to adopt the Initial Authorizing Resolution. Tim Fox so moved. The motion passed unanimously.

**4. Department of Natural Resources and Conservation (Anna Miller): Water Pollution Control State Revolving Fund Program:**

Anna Miller talked about the letter in tab 4 to the Board signed by Director John Tubbs.

These funds finance wastewater treatment plants and collection lines. The letter lists the borrowers: City of Helena, Town of Manhattan, Town of Thompson Falls, Town of Townsend, City of Whitefish. Whitefish and Townsend will have major work to their wastewater treatment plants. Helena, Manhattan and Thompson Falls will have collection lines and rehabilitation to their systems. DNRC has completed \$16.3 million in work in FY 2017 so far this year. This winter, the Cities of Cut Bank and Polson will bid their wastewater treatment plants. Each has an estimated cost of \$18 million. DNRC is looking at \$34 to \$40 million in construction work in fiscal year 2017.

**5. Dorsey & Whitney LLP (Dan Semmens): Water Pollution Control State Revolving Fund Program: Resolution of the Board of Examiners of the State of Montana Relating to the State’s Water Pollution Control State Revolving Fund Program, Approving a Supplemental Indenture of Trust Providing for the Issuance of State of Montana General Obligation Bond Anticipation Notes, Authorizing the Issuance and Sale and Establishing the terms and conditions of up to \$2,950,000 General Obligation Bond Anticipation Notes (Water Pollution Control State Revolving Fund Program), Taxable Series 2017B, and Authorizing the Execution of the Supplemental Indenture and Related Documents (the “2017B Note Resolution”).**

Dan Semmens explained the resolution in tab 5 to the Board.

**Motion and Vote:** McCulloch called for public comment. Hearing none, she then called for a motion to adopt the Initial Authorizing Resolution. Tim Fox so moved. The motion passed unanimously.

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## **6. Department of Natural Resources and Conservation (Anna Miller): Drinking Water State Revolving Fund Program:**

Anna Miller discussed the letter in tab 6 to the Board of Examiners signed by Director John Tubbs.

These projects will be coming this summer. DNRC has projects for Absorakee WSD, Big Fork County WSD, City of Chinook, City of Conrad, City of Cut Bank, Town of Dutton, City of Fort Benton, and the City of Harlowton. These are all water system improvement projects fixing distribution lines and pump houses. City of Conrad is doing major work on their water treatment plant. DNRC has a very healthy summer construction schedule with \$38 million of projects. The bulk of that work will be at the City of Great Falls. DNRC estimates a total of \$58 million of work by the end of fiscal year 2017.

These are positive programs that keep Montana drinking water safe, provide construction jobs, and protect the environment.

## **7. Dorsey & Whitney LLP (Dan Semmens): Drinking Water State Revolving Fund Program: Resolution of the Board of Examiners of the State of Montana Relating to the State's Drinking Water State Revolving Fund Program, Approving a Supplemental Indenture of Trust Providing for the Issuance of the State of Montana General Obligation Bond Anticipation Notes, Authorizing the Issuance and Sale of Establishing the Terms and Conditions of up to \$2,900,000 General Obligation Bond Anticipation Notes (Drinking Water State Revolving Fund Program), Taxable Series 2017C, and Authorizing the Execution of the Supplemental Indenture and Related Document (the "2017C Note Resolution).**

Dan Semmens highlighted the final resolution in tab 7 to the Board.

**Motion and Vote:** McCulloch called for public comment. Hearing none, she then called for a motion to adopt the Initial Authorizing Resolution. Tim Fox so moved. The motion passed unanimously.

## **8. President Pro Tempore: Other Business:**

There was no other business. The meeting adjourned at 10:13 a.m.


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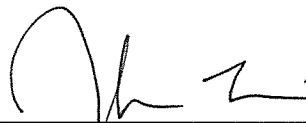
**Governor Steve Bullock**  
President of the Board



**Secretary of State Corey Stapleton**  
Member of the Board



**Attorney General Tim Fox**  
Member of the Board



**John Lewis**  
Executive Secretary